

Following a Work Session, the Special Session was called to order at 7:30 P.M., by Mayor Ferguson with Councilmembers Simillion, Stone, Smits and Duba present along with City Attorney Landwehr, City Manager Collins, City Clerk Davidson, Finance Director Hanson, Parks & Recreation Director Ampietro, Public Works Director Coleman, WSC Intern Johnston, and the press.

New Business:

Quarterly City Financial Report. Finance Director Wendy Hanson came forward and reviewed the City financial report through December 31, 2003. \$254,252.33 in revenues were added during the year that are recorded as deferred revenue. In the General Fund, revenues over expenses were \$118,978. The CharMar restroom project is still not completed, so a final payment of \$5,017 will be asked to be rolled over into 2004. In the Conservation Trust Fund, capital projects were completed for a total of \$50,543. Fleet rental revenues were up for the year. Electric sales were \$211,033 less than budgeted. Electric Fund expenses were \$25,512 less than budgeted. In the Water Fund and Sewer Fund, the revenues from tap fees were higher than budgeted. There was approximately \$154,000 in revenues over expenses and Staff has a couple of ideas for this revenue. The money could be escrowed and used to help early-retire the sewer bonds in 2009 and revenues could be used to reduce infiltration and inflow in the sewer system. All of the other funds did well.

In reference to the discrepancy in the County and City sales tax collection figures, the Finance Department continues to investigate the almost 12% difference. There was \$291,296 of taxable sales for businesses reporting to the City but not reporting to the County. This was calculated at approximately \$3.5 million. There were some businesses reporting to the State as being within the City's limits, but were not. Taking these figures into consideration, there is still \$9 million of net taxable sales which have not been identified. The City will continue to work with the County to determine the cause of the discrepancies.

Councilmember Smits asked about an independent audit. Discussion ensued. City Attorney Landwehr indicated this might be a problem as the County does not collect their own sales tax. Therefore, an audit would have to include examination of the State's records and this might be problematic. Council thanked Finance Director Hanson for her continuing work on this problem.

Award Bid for Community Center Site Preparation Work. This item was discussed in the Work Session prior to the Special Session meeting.

Councilmember Stone moved and Councilmember Simillion seconded the motion to accept the bid and award the Community Center site preparation work to Spallone Construction in an amount of \$84,445.00 and authorize the Mayor to sign said contract.

Roll call vote, yes: Simillion, Stone, Ferguson, Smits, Duba. So carried.

Roll call vote, no: None.

Award Bid for 2004 Street Improvements. This item was discussed at the Work Session prior to the Regular Session meeting.

Councilmember Stone moved and Councilmember Simillion seconded the motion to accept the bids for the 2004 Street Improvements and award Contract 1 for the dirt and concrete work to Schmalz Construction in the amount of \$111,172.72 and award Contract 2 for the finish grade and asphalt paving to United Companies in the amount of \$77,232.50 and authorize the Mayor to sign said contracts.

Roll call vote, yes: Stone, Ferguson, Smits, Duba, Simillion. So carried.

Roll call vote, no: None.

Being a Special Session, no other items could be discussed at the meeting.

Adjournment: The meeting adjourned at 7:45 P.M.

Mayor

City Clerk